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FINANCIAL RESOURCES AND MECHANISMS

Report of the Ad Hoc Inter-sessional Working Group on Finance of the Commission on Sustainable Development

(New York, 6-9 March 1995)

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INTRODUCTION

1. The present report of the Ad Hoc Inter-sessional Working Group on Finance of the Commission on Sustainable Development is not a negotiated text; however, its contents have been thoroughly discussed. Consistent with the terms of reference of the Working Group as determined by the Commission, this report focuses on key issues and conclusions and suggests possible recommendations and policy options for consideration by the Commission at its third session.

2. In response to its mandate, the Working Group reviewed the financing of sustainable development within the context of Agenda 21, 1/ with particular emphasis on the international policy environment and financial flows, national policies and resource mobilization, innovative financial mechanisms, and financing for sectoral and cross-sectoral activities. In addition, the matrix of policy options and instruments was discussed.

3. The discussion of the Working Group was based on the report of the Secretary-General on financial resources and mechanisms for sustainable development: overview of current issues and developments (E/CN.17/1995/8) and background documents, including the report of the second Expert Group Meeting on Financial Issues of Agenda 21 held in Glen Cove, New York (15-17 February 1995), and the Chairman's report of the Workshop on Economic Instruments for Sustainable Development held in Pruhonice, Czech Republic (12-14 January 1995).

4. The Working Group took note of the detailed proposals for action included in the report of the Secretary-General. It discussed those proposals, welcoming some of them and expressing reservations on others, and these have been taken into account in the drafting of this report.

I. INTERNATIONAL POLICY ENVIRONMENT AND FINANCIAL FLOWS

5. In evaluating recent trends as outlined in the report of the Secretary-General, the Working Group emphasized the need to consider both positive and negative developments surrounding the financing of sustainable development, and highlighted the clearly disappointing performance with regard to current official development assistance (ODA) flows relative to the accepted target of 0.7 per cent of gross national product (GNP), as well as compared with the rather encouraging picture concerning private capital flows.

6. The decline of ODA as a percentage of GNP remains a matter of grave concern. For many developing countries, particularly the least developed countries, ODA represents an important source of external funding. Furthermore, ODA could play a significant role in addressing sustainable development concerns in those areas of the world, as well as those social, environmental and (certain) infrastructural sectors, that currently are not so favourably placed as to attract private financial flows, including foreign direct investment.

7. In this context, the Working Group underlined the need to fulfil all financial recommendations and commitments of Agenda 21, especially those in chapter 33, including the ones related to the provision of substantial and

predictable, new and additional financial resources to the developing countries from all sources, as well as to the need to reach as soon as possible the accepted United Nations target of 0.7 per cent of GNP for ODA, as a means of supporting national efforts in developing countries to achieve sustainable development.

8. The Commission, in its work in monitoring the implementation of recommendations and commitments of Agenda 21 related to ODA, should promote:

(a) New approaches to ODA within relevant bilateral and multilateral mechanisms with the objective of achieving the 0.7 per cent target as soon as possible;

(b) Improved cooperation and coordination among national institutions in recipient and donor countries, international organizations (including financial institutions) and the private sector and the non-governmental organizations, inter alia, through the elaboration of national sustainable development strategies and plans, with a view to enhancing the effectiveness of ODA delivery and use;

(c) Use of ODA to leverage additional domestic and external financial resources, through various innovative schemes (such as co-financing and joint ventures, underwriting of country risks, and venture capital funds) in order to mobilize more efficiently new financial flows for sustainable development from all potential sources. Within this context, the Commission could initiate case-studies of national experiences in this area;

(d) Public and political support in donor countries for raising the levels of ODA, including through highlighting its crucial role for sustainable development.

9. While the magnitude of the recent increases in private flows is clearly impressive, their concentration in a limited number of developing countries and sectors and their stability and sustainability remain a cause for concern and require monitoring and further study. Developed and developing countries should adopt policies to encourage private foreign investment in developing countries that can contribute to sustainable development.

10. Further progress is essential for the achievement of an effective, equitable, development-oriented and durable solution to the external debt problems of a large number of developing countries, particularly the poorest and most heavily indebted among them. Pursuant to the recommendations of General Assembly resolution 49/94, this suggests even more favourable terms of debt relief measures, including a reduction of the stock of debt. In this connection, the Assembly, in its resolution 49/94, encouraged the Paris Club and its members to pursue vigorously efforts to improve the terms applied to the poorest and heavily indebted developing countries, including, where appropriate, a reduction in bilateral official debt sufficient to help them to exit from the rescheduling process and thus contribute to the prospect of those countries to resume growth and development. Recent decisions taken by the Paris Club were also noted.

11. Efforts aimed at increasing the flow of financial resources to developing countries including for the financing of sustainable development should also include a closer and more critical look at the role of international financial institutions (IFIs) and development agencies, including regional development banks.

12. The Working Group emphasized that IFIs (in particular the Bretton Woods institutions) and all relevant development agencies should be encouraged to continue to energize their efforts in support of sustainable development. Specifically, these institutions should further extend their recent efforts, beyond incorporating environmental and social considerations in their projects and activities, by integrating economic, social and environmental goals of sustainability from the outset into their overall development policies, strategy formulation and priority-setting.

13. The Commission and the policy-making bodies of the IFIs and development agencies (in particular the interim and development committees) should be encouraged to strengthen communication, interaction and partnership with a view to promoting approaches and activities geared towards meeting the objectives of sustainable development under Agenda 21.

II. NATIONAL POLICIES AND RESOURCE MOBILIZATION

14. The Working Group noted that in general the financing of the implementation of Agenda 21 would come from countries' own public and private sectors. A promising opportunity for mobilizing and redirecting domestic financial resources for sustainable development was offered by relevant national policies. In this context, the discussion focused on economic instruments, national environmental funds, the mobilization of private financing and possibilities of international cooperation and consultation in connection with domestic policy reforms. The Working Group emphasized that those measures should not be seen as a substitute for the need for increased international financial flows, including ODA; rather, either channel of financing should supplement and mutually reinforce the other.

15. The review of the use of economic instruments in developed countries, countries with economies in transition and developing countries demonstrated clearly that depending on their specific conditions, they had in varying degrees attempted to achieve a less distortionary tax system by introducing environmental taxes. In some cases, the "greening" of the tax system had been undertaken while the total fiscal burden was kept unchanged (revenue neutrality); in others, the introduction of green taxes had served the dual purpose of raising additional revenues and providing incentives for reducing pollution. In addition, valuable experience was being gained on the use of the various other economic instruments.

16. The underlying philosophy surrounding the use of economic instruments in contrast to that of the traditional regulatory approach, is that economic instruments based on implementing the Polluter Pays Principle use market signals for influencing the behaviour of economic agents, and are efficient in achieving environmental targets, in particular when they are used to complement systems of

environmental standards and regulations. Their efficiency and effectiveness depend, however, on the availability to these economic agents - particularly when they are small, dispersed producers - of information, knowledge and technology.

17. The discussions on economic instruments focused on ways and means of overcoming obstacles to their implementation, such as insufficient political acceptability, difficulties in design and lack of administrative capacity. In addition, conflicts between environmental and other policy considerations (including equity), possible repercussions on international competitiveness, and the economic and structural conditions inviting their application were discussed. The use of new instruments must also be consistent with overall tax reform objectives.

18. The Working Group underscored the importance of strengthening national capacities and capabilities in the use of economic instruments within the context of national strategies and policies for sustainable development. It recommended that capacity-building be supported by Governments and international organizations, in particular the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Conference on Trade and Development (UNCTAD), the World Bank and the regional commissions.

19. The Working Group recommends to the Commission that it promote further work on ways and means of applying economic instruments, through studies building on experiences gained, including those of the Organisation for Economic Cooperation and Development (OECD). These studies should also pay attention to the preconditions for introducing economic instruments in accordance with specific country situations.

20. It was agreed that the phasing out of environmentally unfriendly economic practices, in particular input subsidies, needed careful examination, with special attention being paid to distributive problems, especially that of the negative impact on the poor.

21. The review of the usefulness of national environment funds showed that in developed countries, countries with economies in transition and the developing countries, there was a great variety of different types of funds at work. In many countries, those funds play an important and constructive role as effective financial mechanisms. Their role should be evaluated from the perspective of the search for optimal solutions. In this context, particular attention should be given to general concerns with regard to the earmarking of funds.

22. The discussion of mobilizing private financing for sustainable development emphasized the importance of well-functioning domestic and global financial markets. Special attention should be given to the particular problems faced by small- and medium-sized enterprises in raising financial resources for investment in pollution abatement.

23. Further studies are also required to assess the use of tax incentives to promote private investment for sustainable development, in particular in countries with economies in transition and in developing countries.

24. The Working Group recognized that joint studies on some form of international cooperation, keeping in mind the principle of common but differentiated responsibilities, could help overcome concerns about international competitiveness as a result of unilateral implementation of domestic policy reforms aimed at promoting sustainable development. Such studies might be reviewed through flexible, step-by-step consultations that could initially attend to sectors and policies with the most promising opportunities and specific needs for cooperation. Such studies should take place on a voluntary basis and could be organized on a subregional, regional or global level, as appropriate.

25. The Working Group suggests that the Commission provide leadership in developing further proposals for promoting joint studies on the appropriate form of international cooperation in the implementation of policy reforms for sustainable development.

III. INNOVATIVE INTERNATIONAL MECHANISMS FOR RESOURCE MOBILIZATION

26. The discussion on innovative mechanisms for resource mobilization focused on an environmental-user charge on air transport, internationally tradable carbon dioxide (CO_2) permits, joint implementation and debt-for-sustainable-development swaps.

27. It was recognized that the air transport of passengers and cargo represented a source of environmentally damaging emissions. The Working Group would consider it worthwhile to examine in detail a properly designed environmental-user charge on air transport if an in-depth study demonstrated its feasibility. The Working Group recommends that such a study be undertaken in cooperation with the International Civil Aviation Organization (ICAO) and other relevant bodies.

28. The Working Group also recommends that the study should address environmental, economic, legal, administrative and political aspects of such a mechanism. Particular attention should be given to the need for applying the environmental-user charge on air transport to all countries and all air carriers in order to ensure universality, taking into account that any particular charge should not impose an undue burden on developing countries.

29. The discussion on internationally tradable CO_2 permits and joint implementation reflected concerns about their complexity in terms of implementation and clarified the fact that work undertaken in this regard should be coordinated with future developments within the context of the United Nations Framework Convention on Climate Change (A/AC.237/18 (Part II)/Add.1 and Corr.1, annex I). The Working Group recommends that interested private parties, encouraged by Governments as appropriate, possibly launch a pilot scheme to gain practical experiences. It could involve developed and developing countries and countries with economies in transition on a voluntary basis in order to create opportunities for higher gains from trade.

30. The Working Group noted successful examples of debt-for-sustainable-development swaps and recommends their further promotion, as appropriate.

IV. FINANCING FOR SECTORAL AND CROSS-SECTORAL ISSUES OF AGENDA 21

31. The Working Group recognized that many of the sources of finance, economic instruments and innovative mechanisms considered in the report of the Secretary-General on financial resources and mechanisms for sustainable development (E/CN.17/1995/8) were also applicable to financing the sectors, transfer of technology and biotechnology. Nevertheless, detailed study is required to apply the "matrix approach" to identifying the most appropriate mix of instruments and mechanisms (see section V below).

32. The transfer of environmentally sound technology (EST), including on concessional and preferential terms, in accordance with chapter 34 of Agenda 21, was highlighted by the Working Group as having a particularly important role to play in realizing the goals of sustainable development. It was recognized, however, that technology by itself is not enough. There must be a corresponding commitment to capacity-building and to creating the institutional climate and developing the human capabilities required to implement the technology transfer process as a whole.

33. Within this context, future discussions on financing the transfer of ESTs and biotechnology should consider the availability of external financial resources, the adequacy of national policies with regard to creating an appropriate financial infrastructure, fiscal incentives, and the availability of resources from innovative mechanisms, such as co-financing and venture capital funds.

34. Fostering investments in ESTs requires the adoption of favourable policies for business development and the creation of a wider framework to encourage investments in the technology development process, including research, development and adaptation of technology. The particular problems of small- and medium-sized enterprises were emphasized.

35. An effective way to accelerate the financing of EST transfer could be by partnerships between the private and public sector, for example, through publicly funded intermediaries for EST transfer and publicly sponsored investment funds with a focus on ESTs. Venture capital funds were particularly noted. The practical feasibility of establishing EST rights banks should be further studied.

36. The Working Group recommends that the Commission encourage the use of the most effective technologies, as well as the conduct of pilot projects on the practicability of Build-Operate-Transfer (BOT) arrangements for promoting EST transfer, including the building of the capacities of developing countries and countries with economies in transition to negotiate BOT contracts.

37. In addressing the financing of biotechnology, the Working Group considered several funding support mechanisms such as (a) the establishment of an international biosafety trust fund, (b) the establishment of an international venture capital fund for biotechnology, (c) the creation of an expert volunteer corps in biotechnology and (d) increases in ODA. These options require further

study and consultation among interested Governments before concrete proposals can be made to the Commission.

38. In this context, the Working Group welcomed the decision of the Conference of the Parties to the Convention on Biological Diversity to include in its medium-term programme consideration of the knowledge, innovations and practices of indigenous and local communities; to take note of the statement of the Conference of the Parties to the effect that it would also be desirable for future work on the protection of traditional knowledge and practices of indigenous and local communities relevant to conservation and sustainable use to be coordinated with the relevant bodies; and to welcome the progress made in revising the International Undertaking on Plant Genetic Resources for food and agriculture which related to outstanding matters concerning plant genetic resources, including access to ex situ collections and the question of farmers' rights.

V. MATRIX OF POLICY OPTIONS AND INSTRUMENTS

39. The Working Group took note of an expert's presentation on the application of the matrix included in the report of the Secretary-General on financial resources and mechanisms for sustainable development (E/CN.17/1995/8) as a transparent conceptual framework for structuring discussions on the financing aspects of Agenda 21. It examined the use of economic instruments and the implementation of alternative policy options associated with sectoral studies in an integrated manner. There was general agreement that the analytical framework presented by the matrix was illustrative, would help in integrating the application of the range of financial instruments and policy options with individual sectors and cross-sectoral activities, and could prove valuable in identifying the appropriate and most promising options, as well as their complementarity, taking into account the principle of common but differentiated responsibilities.

40. In applying the matrix, the discussion stressed that it would be necessary to take into account specific national, regional and subregional conditions. It emphasized that the social, economic and distributive effects arising from the application of different policy options needed to be carefully evaluated. In this regard, the Commission should encourage the launching of pilot projects for specific countries or groups of countries as well as for selected sectoral and cross-sectoral activities.

41. The Working Group agreed that the matrix approach deserved further detailed studies, including efforts at making the analysis more pragmatic and comprehensive, and at quantifying the potential resources generated through the use of different economic instruments as well as from policy reform measures. These studies should exploit the full potential of the matrix as an analytical tool to assist policy makers, inter alia, in examining the appropriate role of public and private actors, and ways and means of promoting interaction and cooperation between them. The Commission should encourage Governments, United Nations organizations, international finance institutions, academic and research communities and other actors, including the private sector, to support, and participate in, these efforts.

VI. KEY PROPOSALS FOR ACTION

42. The Working Group recommends that the Commission act, inter alia, on the key proposals set forth below, taking into account the more detailed considerations contained in the paragraphs above. Their elements are as follows:

(a) To monitor, review and promote the implementation of all financial recommendations and commitments of Agenda 21, including the reaching as soon as possible of the accepted target of 0.7 per cent of GNP for ODA. In particular, new approaches to ODA should be explored, including through improved cooperation and coordination aimed at raising the levels and effectiveness of ODA delivery and use; using ODA to leverage financial resources from all potential sources; and mobilizing public and political support in donor countries for raising the levels of ODA;

(b) To urge developed countries, taking fully into account the provisions of General Assembly resolution 49/94, to take appropriate new steps towards a durable solution to the external debt problem of developing countries, taking note, inter alia, of the recent decisions taken by the Paris Club;

(c) To further promote the use of debt-for-sustainable-development swaps as appropriate;

(d) To encourage international financial institutions and development agencies, in particular the Bretton Woods institutions, to continue to energize and expand their efforts in support of sustainable development. The Commission and the policy-making bodies of the IFIs and development agencies should cooperate in meeting the objectives of sustainable development;

(e) To encourage Governments, relevant international organizations and the private sector to undertake further work with regard to the application of economic instruments, including tax reforms and the phasing out of environmentally unfriendly economic practices, in accordance with the conditions, needs and priorities of each country and giving full consideration to their potential environmental, economic and social impacts. Such actions could be carried forward by way of workshops for sharing national experiences;

(f) To promote capacity-building in the development and implementation of national strategies and policies for sustainable development including in the use of economic instruments, with the support of Governments and relevant international organizations;

(g) To provide leadership in undertaking joint studies to develop further proposals to promote cooperation (keeping in mind the principle of common but differentiated responsibilities) in the implementation of nationally determined policy reforms through some form of voluntary consultative process that is flexible, and would proceed in stages and address the sectors and policies that offer the most promising opportunities for environmental, social and economic gains;

(h) To recommend the preparation, in cooperation with ICAO and other appropriate bodies, of a detailed study on an environmental-user charge on air transport to assess its practical feasibility;

(i) To encourage interested private parties, facilitated by Governments as appropriate, to launch on a voluntary basis a pilot scheme on internationally tradable CO_2 permits in order to acquire practical experience, without prejudice to the outcome of the sessions of the Conference of the Parties to the United Nations Framework Convention on Climate Change;

(j) To promote the implementation of all the recommendations and commitments of Agenda 21 for the transfer of environmentally sustainable technology. Future discussions on financial aspects of environmentally sound technologies and biotechnology should consider the need for external financial resources, the adequacy of national policies with regard to creating an appropriate financial infrastructure, fiscal incentives and the potential availability of resources from innovative mechanisms, such as co-financing and venture capital funds;

(k) To strengthen capacities, in particular of developing countries, to assess, develop, apply and manage environmentally sound technologies tailored to the countries' own needs and priorities. In this connection, the Commission should promote a detailed study on the practical feasibility of establishing environmentally sound technology rights banks and further examine the practicability of BOT approaches for promoting environmentally sound technologies transfer;

(l) To promote a detailed study of the matrix approach, including quantification and potential resource mobilization for sustainable development of developing countries, taking into account the social, economic and distributive impacts of instruments and policy options;

(m) To continue to provide leadership in encouraging Governments and organizations to launch specific initiatives aimed at supporting and enriching its work in connection with the financing of sustainable development;

(n) To encourage, so as to enhance the effectiveness of its work programme, the Working Group to involve IFIs and development agencies and, as far as is practicable, private enterprise, research organizations, and non-governmental organizations, in the seeking out of valuable national experiences as case-studies, the encouraging of informal technical group meetings and the conduct of pilot projects.

VII. ORGANIZATIONAL MATTERS

A. Opening and duration of the session

43. The Working Group met at United Nations Headquarters from 6 to 9 March 1995, in accordance with Economic and Social Council decision 1993/314 of 29 July 1993. The Working Group held 8 meetings (1st to 8th).

44. The session was opened by the Vice-Chairman of the Commission on Sustainable Development, Mr. Sérgio Florençio (Brazil).

45. The Chairman of the Working Group, Dr. Lin See-Yan (Malaysia), made an opening statement.

46. An introductory statement was made by the Director of the Division for Sustainable Development of the Department for Policy Coordination and Sustainable Development of the United Nations Secretariat.

B. Attendance

47. Representatives of 36 States members of the Commission on Sustainable Development attended the session. Observers for other States Members of the United Nations and for non-member States and the European Community, representatives of organizations of the United Nations system and observers for intergovernmental and non-governmental organizations also attended. The list of participants is contained in annex I to this report.

C. Election of officers

48. At the 1st meeting, on 6 March 1995, the Working Group re-elected by acclamation Dr. Lin See-Yan (Malaysia) as Chairman.

D. Agenda and organization of work

49. At the 1st meeting, on 6 March 1995, the Working Group adopted its provisional agenda (contained in annex II to this report) as set forth in document E/CN.17/ISWG.II/1995/1.

E. Documentation

50. The Working Group had before it the report of the Secretary-General on financial resources and mechanisms for sustainable development: overview of current issues and developments (E/CN.17/1995/8), as well as a number of background papers.

Notes

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

Annex I

ATTENDANCE

Members

Antigua and Barbuda:	
Australia:	Joanne Disano, Alison Russell-French, Tony Kelloway, Mark Gray, Michael Rae
Bahamas:	
Bangladesh:	Masud Bin Momen
Barbados:	
Belarus:	
Belgium:	
Bolivia:	Alejandro Mercado, Gustavo Pedraza
Brazil:	Henrique Valle, Adhemar Gabriel Bahadian, Sérgio A. Florençio, Antonio Fernando Crujz de Mello
Bulgaria:	Evdokia Ivanova Maneva
Burkina Faso:	Gaëtan Rimwanguiya Ouédraogo, Prosper Sawadogo
Burundi:	Nuni Bonaventure
Canada:	Claude Baillargeon, Alain Tellier, Craig Ferguson, Ross Noble
Chile:	Juan Larrain, Miguel Angel Gonzalez
China:	Zhong ShuKong, Wang Xiaolong
Ethiopia:	
Finland:	Markku Aho
France:	
Gabon:	Guy-Marcel Eboumy
Germany:	Hans Peter Schipulle, Rainald H. Roesch, Knujt Beyer, Ulrich Hoenisch, Uwe Taeger
Ghana:	

Guinea:	
Hungary:	
Iceland:	
India:	Arvind Virmani
Indonesia:	I. G. Ngurah Swetja, Triyono Wibowo
Iran (Islamic Republic of):	Majid Takht-Ravanchi, Hossein Kamalian, Mohammad Reza H. K. Jabbary
Italy:	Francesco Paolo Fulci, Alberto Colella, Paola Pettinari
Japan:	Takao Shibata, Hikaru Kobayashi, Ainosuke Kojima, Nobuaki Ito, Masanori Kobayashi
Malawi:	N. M. Mwaungulu, F. D. J. Matupa
Malaysia:	Ting Wen Lian, Lin See Yan, Hussein Haniff, Saw Ching Hong, Lim Eng Siang, Singh Himmat, Mamit James
Mexico:	Gerardo Lozano, Rafael Martinez Blanco, Ulises Canchola
Morocco:	Ahmed Amaziane
Namibia:	
Netherlands:	C. W. M. Lander, A. P. Hamburger, V. P. A. Vrij
Pakistan:	Jamsheed K. A. Marker, Kazi Asad Abid, Mansur Raza
Papua New Guinea:	
Peru:	Mario López-Chavarri, Italo Acha
Philippines:	José Lino B. Guerrero, Eugenio Inocentes, Wilfrido Pollisco
Poland:	Maciej Nowicki, Piotr Sikorski, Marek Sobiecki, Barbara Mahler
Republic of Korea:	
Russian Federation:	Vassily A. Nebenzia
Senegal:	Kéba Birane Cisse, Seydina Oman Diop, Alioune Ndiouck, Mamadou Yaya Sy

Spain:	Alicia Montalvo, Miguel Aguirre de Carcer
Tunisia:	Khalil Attia, Abderrazak Azaiez, Ghazi Jomaa
Turkey:	Hayati Güven, L. Murat Burhan, H. Avni Karslioglu, Erdal A. Onursal, Sedat Yamak
Uganda:	Odyek Agona
Ukraine:	Yuri G. Ruban, Anatoliy P. Dembitskiy, Kostyantyn P. Elisseev
United Kingdom of Great Britain and Northern Ireland:	Peter Landymore, Victoria Harris
United Republic of Tanzania:	
United States of America:	Mark Hambley, John McGuinness, David Ogden
Uruguay:	
Venezuela:	

States Members of the United Nations represented by observers

Algeria, Argentina, Austria, Benin, Costa Rica, Côte d'Ivoire, Cuba, Czech Republic, Denmark, Ecuador, Egypt, Guatemala, Ireland, Israel, Kenya, Lebanon, Mauritania, New Zealand, Norway, Paraguay, Portugal, Romania, Samoa, Saudi Arabia, Slovakia, Sri Lanka, Swaziland, Sweden, Syrian Arab Republic and Yemen.

Non-member States represented by an observer

Switzerland and the European Community.

United Nations Secretariat

United Nations Children's Fund, United Nations Conference on Trade and Development, United Nations Development Programme.

Specialized agencies and General Agreement on Tariffs and Trade (GATT)

Food and Agriculture Organization of United Nations, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, World Health Organization, World Bank, International Monetary Fund.

International organizations

Organisation for Economic Cooperation and Development.

Non-governmental organizations

National Wildlife Federation (in consultative status with the Economic and Social Council, category II); Population Communications-International (in consultative status with the Economic and Social Council, Roster); World Citizens Assembly and Society for Conservation and Protection of the Environment (organizations accredited to the Commission on Sustainable Development).

Annex II

PROVISIONAL AGENDA

1. Adoption of the agenda and other organizational matters.

2. International policy environment and financial flows:

   (a) Changes in the external environment;

   (b) Trends in resource flows and debt;

   (c) The Bretton Woods institutions and the financing of sustainable development.

3. National policies and resource mobilization:

   (a) Applying economic instruments;

   (b) Improving the operation of national environmental funds;

   (c) Promoting the role of the private sector in the financing of sustainable development;

   (d) Aiming at international coordination of national sustainable development.

4. Innovative international mechanisms for resource mobilization.

5. Financing for sectoral and cross-sectoral issues of Agenda 21.

6. Matrix of policy options and instruments.

7. Other matters.

8. Adoption of the report of the Working Group.